



April 30, 2006

Beth O'Donnell, Executive Director
Commonwealth of Kentucky
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED
APR 28 2006
FINANCIAL ANA

Re: Citipower L.L.C.
Quarterly Report of Gas Cost Recovery Rate Calculation

RECEIVED

APR 28 2006

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Case No. 2006-00175

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation, filed April 30, 2006 for rates to be effective June 1, 2006 based on the reporting period from November 1, 2005 through January 31, 2006. To the best of my knowledge, this filing is complete and accurate, is in accordance with the requirements of the Commonwealth of Kentucky Public Service Commission.

The Public Service Commission may, as it has in the past, correct the Quarterly Report of Gas Cost Recovery Rate Calculation provided by Citipower, and issue its Order based on its corrected Calculation. If the Commission corrects the enclosed Calculation and issues its Order based on the Commission's corrected Calculation, please provide me with a legible copy of the Commission's corrected Calculation for my future reference.

Sincerely,


John Forsberg

Citipower, LLC
2122 Enterprise Road
Greensboro, NC 27408

Voice 336-379-0800
Fax 336-379-0881

Citipower, LLC

COMPANY NAME

Case No. 2006-00175

RECEIVED

APR 28 2006

PUBLIC SERVICE
COMMISSION

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

April 30, 2006

Date Rates to be Effective:

June 1, 2006

Reporting Period is Calendar Quarter Ended:

January 31, 2006

Citipower, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	9.23
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	.1856
+ Balance Adjustment (BA)	\$/Mcf	<.0963>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	9.3193

GCR to be effective for service rendered from 6/1/06 to 8/31/06

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	786,544
+ Sales for the 12 months ended _____	Mcf	85,216
<u>Expected Gas Cost (EGC)</u>	\$/Mcf	9.23

B. REFUND ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
= Refund Adjustment (RA)	\$/Mcf	

C. ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	<.7124>
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.8780
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.02
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	-
= Actual Adjustment (AA)	\$/Mcf	.1856

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	<.0261>
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	<.0111>
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	<.0591>
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	-
= Balance Adjustment (BA)	\$/Mcf	<.0963>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended <u>11/31/06</u>					
(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Forexco INC			42,475		392,044
Citigas, LLC			42,741		394,499
Totals			<u>85,216</u>		<u>786,544</u>

Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	786,544
÷ Mcf Purchases (4)	Mcf	85,216
= Average Expected Cost Per Mcf Purchased	\$/Mcf	9.23
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	85,216
= Total Expected Gas Cost (to Schedule IA.)	\$	786,544

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
<u>+ Interest</u>	\$	
= Refund Adjustment including interest	\$	
<u>+ Sales for 12 months ended _____</u>	Mcf	
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV

ACTUAL ADJUSTMENT

Jan 31, 2006

For the 3 month period ended _____ (reporting period)

<u>Particulars</u>	<u>Unit</u>	Month 1 (11/05)	Month 2 (12/05)	Month 3 (01/06)
Total Supply Volumes Purchased	Mcf	7,164	12,624	11,314
Total Cost of Volumes Purchased	\$	108,226	170,026	105,397
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	7,164	12,624	11,314
= Unit Cost of Gas	\$/Mcf	15.11	13.47	9.31
- EGC in effect for month	\$/Mcf	12.37	14.86	14.86
= Difference [(Over-)/Under-Recovery]	\$/Mcf	2.74	<1.39>	<5.55>
x Actual sales during month	Mcf	7,164	12,624	11,314
= Monthly cost difference	\$	19,629	<17,547>	<62,792>

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	<60,710>
+ Sales for 12 months ended <u>1/06</u>	Mcf	<u>85,216</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	<.7124>

SCHEDULE V

BALANCE ADJUSTMENT

Jan 31, 2006

For the 3 month period ended _____ (reporting period)

Particulars	Unit	Amount
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	16,275
Less: Dollar amount resulting from the AA of <u>.2126</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>87,275</u> Mcf during the 12-month period the AA was in effect.	\$	18,555
Equals: Balance Adjustment for the AA.	\$	<u>(2,280)</u>
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA.	\$	
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	
Total Balance Adjustment Amount (1) + (2) + (3)	\$	
+ Sales for 12 months ended <u>1/06</u>	Mcf	<u>87,275</u>
Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>(.0261)</u>

**Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 04/30/06**

**Schedule II
Expected Gas Cost**

Month	Mcf	Expected Rate	Cost
Feb-05	11,744	9.2300	108,397
Mar-05	13,024	9.2300	120,212
Apr-05	5,489	9.2300	50,663
May-05	5,358	9.2300	49,454
June-05	3,981	9.2300	36,745
July-05	2,879	9.2300	26,573
August-05	3,167	9.2300	29,231
September-05	4,139	9.2300	38,203
October-05	4,333	9.2300	39,994
November-06	7,164	9.2300	66,124
December-06	12,624	9.2300	116,520
January-06	11,314	9.2300	104,428
	85,216	9.2300	786,544

**Citipower LLC
Schedule V
Balance Adjustment
Filing 04/30/06**

<u>Month</u>	<u>Mcf</u>
Mar-05	13,024
Apr-05	5,489
May-05	5,358
June-05	3,981
July-05	2,879
August-05	3,167
September-05	4,139
October-05	4,333
November-05	7,164
December-05	12,624
January-06	11,314
February-06	13,803
	87,275

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Commodity Futures Price Quotes For NYMEX Henry Hub Natural Gas

Commodity market prices and quotes are updated continuously during market hours.
(Price quotes for NYMEX Henry Hub Natural Gas delayed at least 30 minutes as per exchange requirements)

23.084 / 3 = 7.69
x 1.2 B+U
9.23

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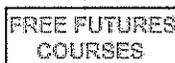
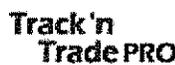
Month <small>Click for chart</small>	Session									Pr.Day		Options
	Open	High	Low	Last	Time	Sett	Chg	Vol	Ticks	Sett	OpInt	
May 06	7.44	7.565	7.14	7.25	14:30	-	-0.308	0	40943	7.558	30452	Call Put
Jun 06	7.66	7.8	7.35	7.464	14:37	-	-0.322	23	10998	7.786	81760	Call Put
Jul 06	7.95	8.035	7.58	7.67	14:30	-	-0.361	0	5052	8.031	50095	Call Put
Aug 06	8.15	8.255	7.8	7.95	14:18	-	-0.296	0	3409	8.246	28079	Call Put
Sep 06	8.35	8.429	8	8.16	14:19	-	-0.288	0	3190	8.448	26875	Call Put
Oct 06	8.55	8.675	8.28	8.32	14:27	-	-0.338	0	4730	8.658	44390	Call Put
Nov 06	9.9	10.008	9.72	9.82	14:19	-	-0.198	0	2242	10.018	37905	Call Put
Dec 06	11.21	11.298	11.05	11.2	14:30	-	-0.098	0	2588	11.298	25682	Call Put
Jan 07	11.95	12.09	11.87	11.9	14:27	-	-0.163	0	3015	12.063	45158	Call Put
Feb 07	11.99	12.06	11.8	12	14:16	-	-0.058	0	1281	12.058	21572	Call Put
Mar 07	11.77	11.89	11.67	11.71	14:16	-	-0.153	0	1425	11.863	35908	Call Put
Apr 07	9.75	9.803	9.68	9.73	14:19	-	-0.053	0	1070	9.783	22981	Call Put
Jun 07	9.63	9.7	9.6	9.7	14:30	-	+0.047	0	6	9.653	8773	Call Put
Dec 07	11.28	11.28	11.28	11.28	11:16	-	-0.008	0	41	11.288	8476	Call Put

23.084

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